

## Message Text

SECRET

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ACTION NEA-06

INFO OCT-01 SS-14 ADP-00 NSC-10 NSCE-00 EB-03 L-02 CIAE-00

INR-10 NSAE-00 RSC-01 CIEP-01 TRSE-00 USIA-04 SCEM-01

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R 181503 Z JUN 73

FM AMEMBASSY TRIPOLI

TO SECSTATE WASHDC 0219

S E C R E T TRIPOLI 0826

LIMDIS

E. O. 11652: GDS

TAGS: PINT ECON LY

SUBJECT: BUNKER HUNT NATIONALIZATION

1. IN DISCUSSION WITH VARIOUS BUSINESSMEN IN BENGHAZI 15-17 JUNE, EMBOFF LEARNED SOME FACTS WHICH MIGHT OTHERWISE BE UNAVAILABLE TO THE DEPARTMENT.
2. A PAKISTANI EMPLOYEE OF BUNKER HUNT ( PROTECT - AND DO NOT DISCUSS WITH BUNKER HUNT REPRESENTATIVES) INDICATED THAT THE QUANTITY OF CRUDE WHICH LIBYANS INSISTED BUNKER HUNT OWED THEM, PLUS TAXES OWING TO THE LIBYAN GOVERNMENT FOR FIRST QUARTER 1973, EXCEEDED \$80 MILLION NET BOOK VALUE CLAIMED FOR BUNKER HUNT BY THE LIBYANS. THIS FACT, COUPLED WITH SHUT- IN OF BUNKER HUNT LIFTINGS AND BUNKER HUNT DISCOVERY THAT MUCH OF THE CRUDE THEY WOULD NORMALLY GET WAS ALREADY OBLIGATED TO VARIOUS INTERNATIONAL BROKERS, CAUSED BUNKER HUNT TO INSTRUCT ITS REPRESENTATIVE NOT TO PAY FIRST QUARTER TAXES ON THE 31 MAY 73 DUE DATE. THEREFORE WHEN LIBYANS NATIONALIZED, IN A SENSE THEY LOST MONEY.
3. IT WOULD ALSO APPEAR THAT ARABIAN GULF EXPLORATION

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COMPANY ( AGECE) WHICH PRESUMABLY WILL HANDLE BUNKER HUNT BUSINESS, IS IN A STATE OF SEMI- CHAOS. EMBOFF LEARNED THAT ITS CHIEF OF FIELD OPERATIONS, ENGELBERGER, AND ANOTHER KEY EMPLOYEE NAMED ABERNATHY, HAVE BOTH LEFT. FOUR KEY IRAQIS WILL DEPART, TWO ALREADY HAVING DONE SO.

4. THE PAKISTANIS EMPLOYEED BY BUNKER HUNT ARE DOING A FAST SHUFFLE AND APPARENTLY HAVE NO INTENTION OF MOVING OVER TO AGECE. BY OUR COUNT THERE REMAIN FIVE AMERICANS EMPLOYED BY AGECE BUT IT IS PROBLEMATICAL HOW LONG TMEY WILL REMAIN. WE ARE TOLD THAT AGECE IS BEING RUN ESSENTIALLY BY A PEOPLES COMMITTEE, ITS GENERAL MANAGER HAVING BEEN REMOVED.

5. AN INTERESTING BY- PRODUCT OF THE LIBYAN MOVE AGAINST BUNKER HUNT IS THE CYRENEICAN REACTION AS DESCRIBED TO US BY SEVERAL PERSONS WITH CONTACTS AMONG LIBYANS THERE. THEY STATE THAT MOST CYRENEICANS, PARTICULARLY THOSE AFFECTED BY THE POPULAR COMMITTEES, ARE ANXIOUS FOR QADHAFI TO MOVE TO NATIONALIZE THE REMAINDER OF AMERICAN ECONOMIC INTERESTS IN LIBYA. THEIR OBTUSE LOGIC IS THAT IF QADHAFI MOVES FAST ENOUGH AND HARD ENOUGH HE WILL ANGER THE UNITED STATES GOVERNMENT, WHICH WILL THEN REMOVE HIM AND THEREBY MAKE CYRENEICANS HAPPY AGAIN. IN OTHER WORDS, ONE GETS THE FEELING THAT CYRENEICANS, LIKE MOST LIBYANS, ARE HOPING THAT SOMEONE ELSE WILL ACCOMPLISH WHAT THEY THEMSELVES FEAR TO DO.

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\*\*\* Current Handling Restrictions \*\*\* LIMDIS

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